

# OHIO FARM REPORT



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**FEATURING:** Crop Production Supply/Demand Farm Expenditures Ag Prices

## OHIO CORN YIELDS EXPECTED TO TIE STATE RECORD

**Ohio's average corn** yield is forecast at 156 bushels per acre, up two bushels from the August 1 forecast. If realized, this will tie the State's all time record corn yield set one year ago. Total production in the Buckeye State is expected to total 468 million bushels, a two percent drop from the previous year. Growers expect to harvest 3.00 million acres for grain in 2004, compared to 3.07 million harvested the previous year. **Ohio's average soybean** yield is forecast at 40 bushels per acre, unchanged from the previous month and two bushels higher than the State's 2003 average yield. If realized, this yield would result in a total production of 176.8 million bushels, a nine percent increase from the previous year. The State's soybean growers expect to harvest 4.42 million acres in 2004 compared to 4.28 million in 2003. **Ohio tobacco** yields are forecast at 1,900 pounds per acre, up 250 pounds from the 2003 average State yield. Total production in Ohio is forecast at slightly over 11.0 million pounds, an increase of 26 percent from last year.

### U.S. Corn Crop Expected to be Largest on Record

**U.S. corn** production is forecast at 11.0 billion bushels, up fractionally from last month and eight percent above 2003. Based on conditions as of September 1, yields are expected to average 149.4 bushels per acre, up 0.5 bushel from August and 7.2 bushels above last year. If realized, both production and yield would be the largest on record. The previous record for both was set last year when production was estimated at 10.1 billion bushels and yield was 142.2 bushels per acre. Yields are forecast at record high levels in all Corn Belt States, except Minnesota and Wisconsin, as weather conditions have been mostly

favorable throughout the growing season. However, brief periods of freezing temperatures in the northern Corn Belt and adjacent areas of the Great Plains raised concerns about the crop being able to fully develop before a killing frost occurs. **U.S. soybean** production is forecast at 2.84 billion bushels, down one percent from the August forecast but 17 percent above 2003. If realized, this would be the second highest production on record. Based on conditions as of September 1, yields are expected to average 38.5 bushels per acre, down 0.6 bushel from August. Below-normal temperatures and adequate moisture across most of the Corn Belt, the Great Plains, and the Delta in August favored the soybean crop during the critical stages of development. However, yield prospects declined in the northern tier of States due to cool weather. A brief period of freezing temperatures slowed the development of a crop already behind in maturity in North Dakota and Minnesota.

**U.S. all tobacco** production for 2004 is forecast at 883 million pounds, down less than one percent from the August forecast but up 10 percent from 2003. Area for harvest is forecast at 413,550 acres, unchanged from August but one percent above 2003. Yields for 2004 are expected to average 2,134 pounds per acre, six pounds lower than last month but 182 pounds higher than a year ago. **Burley production** is expected to total 301 million pounds, up one percent since August 1 and seven percent higher than last year. Yields are expected to average 1,929 pounds per acre, 21 pounds above last month and up 79 pounds from 2003. Burley growers plan to harvest 156,300 acres, up three percent from last year.

OHIO AND UNITED STATES, SEPTEMBER 1, 2004, WITH COMPARISONS

| OHIO AND UNITED STATES, SEPTEMBER 1, 2004, WITH COMPARISONS |                 |         |      |                |       |            |            |
|---|-----------------|---------|------|----------------|-------|------------|------------|
| CROP  | Harvested Acres |         | UNIT | Yield Per Acre |       | Production |            |
|   | 2003            | 2004    |      | 2003           | 2004  | 2003       | 2004       |
| Thousands   |                 |         |      | Thousands      |       |            |            |
| OHIO  |                 |         |      |                |       |            |            |
| Corn for Grain  | 3,070           | 3,000   | bu.  | 156.0          | 156.0 | 478,920    | 468,000    |
| Soybeans for Beans  | 4,280           | 4,420   | bu.  | 38.0           | 40.0  | 162,640    | 176,800    |
| Winter Wheat  | 1,000           | 880     | bu.  | 68.0           | 62.0  | 68,000     | 54,560     |
| Oats  | 60              | 45      | bu.  | 66.0           | 70.0  | 3,960      | 3,150      |
| Alfalfa Hay   | 580             | 500     | ton  | 3.40           | 3.20  | 1,972      | 1,600      |
| All Other Hay   | 770             | 720     | ton  | 2.60           | 2.20  | 2,002      | 1,584      |
| Sugarbeets  | 1.9             | 1.6     | ton  | 24.2           | 21.5  | 46         | 34         |
| Tobacco, All  | 5.3             | 5.8     | lb.  | 1,650          | 1,900 | 8,745      | 11,020     |
| Apples  | -               | -       | lb.  | -              | -     | 90,000     | 89,000     |
| Grapes  | -               | -       | ton  | -              | -     | 8.1        | 7.1        |
| UNITED STATES   |                 |         |      |                |       |            |            |
| Corn for Grain  | 71,139          | 73,377  | bu.  | 142.2          | 149.4 | 10,113,887 | 10,960,710 |
| Soybeans for Beans  | 72,321          | 73,655  | bu.  | 33.4           | 38.5  | 2,417,565  | 2,835,989  |
| Winter Wheat  | 36,541          | 34,825  | bu.  | 46.7           | 42.8  | 1,707,069  | 1,489,408  |
| Oats  | 2,224           | 1,938   | bu.  | 65.0           | 66.0  | 144,649    | 127,950    |
| Alfalfa Hay   | 23,578          | 22,226  | ton  | 3.24           | 3.48  | 76,307     | 77,264     |
| All Other Hay   | 39,764          | 39,363  | ton  | 2.03           | 2.15  | 80,816     | 84,499     |
| Sugarbeets  | 1,347.9         | 1,325.6 | ton  | 22.7           | 21.5  | 30,583     | 28,547     |
| Tobacco, All  | 411.2           | 413.6   | lb.  | 1,952          | 2,134 | 802,654    | 882,568    |
| Apples  | -               | -       | lb.  | -              | -     | 8,613,300  | 9,365,900  |
| Grapes  | -               | -       | ton  | -              | -     | 6,572.7    | 6,361.4    |

**Corn for Grain: Plant population per Acre, Selected States, 2000-04**

| State | Month | 2000   | 2001   | 2002   | 2003   | 2004   |
|-------|-------|--------|--------|--------|--------|--------|
|       |       | Number | Number | Number | Number | Number |
| IL    | Sept  | 25,800 | 26,750 | 26,400 | 27,150 | 27,750 |
|       | Nov   | 25,800 | 26,650 | 26,350 | 27,050 | -      |
| IN    | Sept  | 25,050 | 26,100 | 25,350 | 26,050 | 26,650 |
|       | Nov   | 25,150 | 25,950 | 25,300 | 25,900 | -      |
| IA    | Sept  | 26,500 | 26,500 | 26,850 | 27,400 | 28,000 |
|       | Nov   | 26,300 | 26,450 | 26,700 | 27,250 | -      |
| MN    | Sept  | 27,500 | 28,050 | 26,950 | 28,700 | 29,300 |
|       | Nov   | 27,150 | 28,000 | 26,800 | 28,800 | -      |
| NE    | Sept  | 23,700 | 22,750 | 23,250 | 23,800 | 24,100 |
|       | Nov   | 23,400 | 22,750 | 23,350 | 23,700 | -      |
| OH    | Sept  | 25,200 | 26,150 | 24,850 | 25,900 | 26,950 |
|       | Nov   | 24,800 | 26,050 | 24,400 | 25,900 | -      |
| WI    | Sept  | 26,550 | 26,800 | 26,550 | 27,300 | 27,700 |
|       | Nov   | 26,200 | 27,000 | 26,650 | 27,100 | -      |

**CORN BELT PRODUCTION EXPENDITURES UP 1.6 PERCENT IN 2004**

Farm production expenditures in the Corn Belt Region totaled 35.8 billion, up 1.6 percent from 2002 according to the National Agricultural Statistics Service (NASS), USDA. In the Corn Belt region, 9 of the 16 expenditure categories increased from the 2002 level. The categories containing expenditure increases from 2002 to 2003 were: farm improvements & construction (up 46.3%), feed (up 15.5 %), trucks and autos (up 14.7 %), seeds and plants (up 10.6 %), fertilizer, lime, and soil conditioners (up 5.1 %), farm services (up 4.6 %), labor (up 4.2 %), fuels (up 3.8%), and agricultural chemicals (up 0.5 %). Expenditure decreases from 2002 to 2003 were found in 7 categories: other farm machinery (down 15.2 %), interest (down 15.0 %), farm supplies and repairs (down 14.9 %), tractors & self-propelled farm machinery (down 12.1 %), rent (down 4.7 %), livestock, poultry and related expenses (down 4.5 %), and real estate and property taxes (down 2.4 %). The Corn Belt's largest expense items in 2003 were rent (15.2 %), feed (11.4 %), farm services (10.1 percent), livestock, poultry, and related expenses (8.3 percent) and fertilizer, lime and soil conditioners (7.5 percent).

The average expenditures per Corn Belt Region's farm in 2003 were \$88,180 compared to \$84,586, for 2002. On the average, Corn Belt Region farm operations in 2003 spent \$13,371 on rent; \$10,096 on feed; \$8,889 on farm services; \$7,338 on

livestock, poultry and related expenses; and \$6,649 on fertilizer, lime, and soil conditioners. The estimates for 2002 indicated that Corn Belt region farms spent an average of \$13,685 on rent; \$8,523 on feed; \$8,283 on farm services; \$7,491 on livestock, poultry and related expenses; and \$6,170 on fertilizer, lime, and soil conditioners.

At the U.S. level, farm production expenditures were 198.9 billion, up 3.0 percent from the 2002 total of \$193.1 billion. Three of the sixteen expenditure categories decreased from 2002 to 2003. The largest contributors to the decrease were interest (down 11.4 %), farm supplies and repairs (down 9.8%), and labor (down 1.4%). The two largest expenditure categories were farm improvements and construction, which accounted for 43.8 percent of the U.S. total, and feed which accounted for 8.4 percent of the U.S. total.

The average U.S. farm expenses in 2003 was \$93,785 compared to \$89,772, for 2002. On the average, U.S. farm operations in 2003 spent \$12,731 on feed; \$12,673 on farm services; \$9,996 on labor; \$8,959 on livestock and poultry purchases; and \$7,733 on rent. The U.S. farm average expenses for 2002 were \$12,452 for farm services; \$11,570 for feed; \$9,990 for labor; \$8,503 for livestock and poultry purchases; and \$7,527 for rent.

**2002 & 2003 Regional and United States Farm Production Expenditures 1/**

| Corn Belt<br>(IL, IN, IA, MO, and OH)    | Corn Belt |        | U.S. 1/ |         |
|--|-----------|--------|---------|---------|
|  | 2002      | 2003   | 2002 2/ | 2003    |
| Million Dollars                          |           |        |         |         |
| Total Farm Production Expenditures 2/ 3/ | 35,230    | 35,810 | 193,100 | 198,900 |
| Livestock, Poultry & Related Expenses 4/ | 3,120     | 2,980  | 18,300  | 19,000  |
| Feed                                     | 3,550     | 4,100  | 24,900  | 27,000  |
| Farm Services 5/                         | 3,450     | 3,610  | 26,800  | 26,800  |
| Rent 6/                                  | 5,700     | 5,430  | 16,200  | 16,400  |
| Agricultural Chemicals 7/                | 2,020     | 2,030  | 8,300   | 8,400   |
| Fertilizer, Lime & Soil Conditioners 7/  | 2,570     | 2,700  | 9,600   | 10,000  |
| Interest                                 | 2,130     | 1,810  | 10,500  | 9,300   |
| Taxes (Real Estate & Property)           | 1,660     | 1,620  | 6,800   | 6,800   |
| Labor                                    | 1,440     | 1,500  | 21,500  | 21,200  |
| Fuels                                    | 1,050     | 1,090  | 6,500   | 6,700   |
| Farm Supplies & Repairs 8/               | 2,010     | 1,710  | 12,200  | 11,000  |
| Farm Improvements & Construction 9/ 10/  | 1,340     | 1,960  | 8,000   | 11,500  |
| Tractors & Self-Propelled Farm Machinery | 1,320     | 1,160  | 6,200   | 6,500   |
| Other Farm Machinery                     | 990       | 840    | 3,700   | 3,900   |
| Seeds & Plants 11/                       | 2,170     | 2,400  | 8,900   | 9,300   |
| Trucks & Autos                           | 680       | 780    | 4,200   | 4,500   |

1/ Excludes AK & HI. 2/ Total includes production costs not allocated to any of the 16 expense categories published. 3/ Includes landlord and contractor share of farm production expenses. 4/ Includes purchases and leasing of livestock and poultry. 5/ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 6/ Includes public and private grazing fees. 7/ Includes material and application costs. 8/ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. 9/ Includes all expenditures related to new construction or repairs of buildings and fences, and any improvements to physical structures of land. 10/ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2003. 11/ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

SEPTEMBER U.S. SUPPLY AND DEMAND <sup>1/</sup>

|                        | Corn            |                       | Wheat   |                       | Soybeans |                       |
|------------------------|-----------------|-----------------------|---------|-----------------------|----------|-----------------------|
|                        | 2003/04         | 2004/05 <sup>2/</sup> | 2003/04 | 2004/05 <sup>2/</sup> | 2003/04  | 2004/05 <sup>2/</sup> |
|                        | Million Bushels |                       |         |                       |          |                       |
| Beginning Stocks       | 1,087           | 954                   | 491     | 546                   | 178      | 105                   |
| Production             | 10,114          | 10,961                | 2,337   | 2,123                 | 2,418    | 2,836                 |
| Imports                | 13              | 15                    | 72      | 60                    | 6        | 6                     |
| Total Supply           | 11,214          | 11,929                | 2,900   | 2,729                 | 2,602    | 2,947                 |
| Domestic Use           | 8,375           | 8,620                 | 1,195   | 1,201                 | 1,612    | 1,758                 |
| Exports                | 1,885           | 2,100                 | 1,159   | 950                   | 885      | 1,000                 |
| Total Use              | 10,260          | 10,720                | 2,354   | 2,151                 | 2,497    | 2,758                 |
| Ending Stocks, Total   | 954             | 1,209                 | 546     | 578                   | 105      | 190                   |
| Average Price (\$/bu.) | 2.40            | 2.00-2.40             | 3.40    | 3.00-3.50             | 7.35     | 5.35-6.25             |

1/ From World Agricultural Supply and Demand Estimates, ERS, FAS, USDA. 2/ Projected.

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**OHIO GRAIN AND SOYBEAN PRICES DOWN IN AUGUST**

Ohio grain and soybean prices continued to decline in August. The August winter wheat price of \$3.03 is down 26 cents from the previous month and 23 cents below the August 2003 price. Corn at \$2.41 is down 13 cents from July but 10 cents above the previous August price of \$2.31. The average soybean price of \$6.30 is down from the July price of \$8.51 but 47 cents above the previous August price. Alfalfa hay prices averaged \$120.00 per ton in August, up \$8.00 from the previous month but \$28.00 less than was received in August of 2003. Other hay at \$59.00 per ton is \$4.00 per ton higher than the average July price and identical to what was reported at the same time last year.

Milk prices dropped in August, but remain above where they were a year ago. Milk sold to plants in August averaged \$16.00 per cwt., down 80 cents per cwt. from July but \$2.90 higher than the August 2003 price of \$13.10 per cwt. August hog prices averaged \$55.50 per cwt. in Ohio, down \$1.70 per cwt. from July but \$14.10 per cwt. higher than the previous August price. Sow prices at \$47.00 per cwt. are down \$2.40 from July but are \$13.40 higher than they were in August of 2003. The August barrow and gilt price of \$56.00 per cwt. is down \$1.70 from the July price but \$14.10 higher than the previous year. Beef cattle prices averaged \$77.20 per cwt. in August, down \$3.00 per cwt. from July but \$3.00 per cwt. higher than at the same time last year. The steer and heifer price at \$80.00 per cwt. dropped \$3.50

from July but is up \$2.10 from August of 2003. August cow prices at \$52.00 per cwt. are up \$1.80 from July and are \$11.00 higher than at the same time last year. Calves, at \$110.00 per cwt. are up \$3.00 from the previous month and are \$25.70 per cwt. higher than they were a year ago. The August egg price at 31.9 cents per dozen is down 6.3 cents per dozen from July.

The preliminary All Farm Products Index of Prices Received by Farmers in August at 120, based on 1990-92=100, is 4 points (3.2 percent) below the July Index. Declines occurred in both the Crop Price Index and the Livestock Price Index. The Crop Index, declined 2 points (1.7 percent) from July while the Livestock Index decreased 6 points (4.7 percent). Producers received higher commodity prices for lettuce, tomatoes, strawberries, and cantaloup. Lower prices were received for broilers, soybeans, dairy, and corn. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of tobacco, cattle, grapes, and sweet corn offset decreased marketings of wheat, hay, dairy, and broilers. The preliminary All Farm Products Index is up 11 points (10 percent) from August 2003. The Food Commodities Index declined 3 points (2.4 percent) from last month to 124. The index stands 14 points (13 percent) above August 2003.

U.S. INDEX SUMMARY TABLE

| Index<br>1990-92=100 | 2003 |        | 2004 |        |
|----------------------|------|--------|------|--------|
|                      | July | August | July | August |
| Prices Received      | 105  | 109    | 124  | 120    |
| Prices Paid          | 127  | 127    | 134  | 135    |
| Ratio <sup>1/</sup>  | 83   | 86     | 93   | 89     |

1/ Ratio of index of prices received by farmers to index of prices paid.

AGRICULTURAL PRICES, OHIO AND UNITED STATES ,  
AUGUST 2004 WITH COMPARISONS

| Commodity <sup>1/</sup> | Unit   | OHIO           |              |                | US             |
|-------------------------|--------|----------------|--------------|----------------|----------------|
|                         |        | August<br>2003 | July<br>2004 | August<br>2004 | August<br>2004 |
| Winter Wheat            | Bu.\$  | 3.26           | 3.29         | 3.03           | 3.02           |
| Corn                    | Bu.\$  | 2.31           | 2.54         | 2.41           | 2.27           |
| Soybeans                | Bu.\$  | 5.83           | 8.51         | 6.30           | 6.34           |
| Oats                    | Bu.\$  | 1.74           | 1.77         | 5/             | 1.31           |
| All Hay <sup>2/</sup>   | Ton \$ | 120.00         | 82.00        | 101.00         | 89.80          |
| Alfalfa hay             | Ton \$ | 148.00         | 112.00       | 120.00         | 97.40          |
| Other Hay               | Ton \$ | 59.00          | 55.00        | 59.00          | 70.00          |
| Potatoes                | Cwt \$ | 7.30           | 10.50        | 8.85           | 6.31           |
| Apples                  | Lb.\$  | 0.340          | 5/           | 0.330          | 0.273          |
| Hogs                    | Cwt \$ | 41.40          | 57.20        | 55.50          | 56.00          |
| Sows                    | Cwt \$ | 33.60          | 49.40        | 47.00          | 49.40          |
| Barrows & Gilts         | Cwt \$ | 41.90          | 57.70        | 56.00          | 56.30          |
| All Beef                | Cwt \$ | 74.20          | 80.20        | 77.20          | 88.10          |
| Cows                    | Cwt \$ | 41.00          | 50.20        | 52.00          | 55.50          |
| Steers & heifers        | Cwt \$ | 77.90          | 83.50        | 80.00          | 91.50          |
| Calves                  | Cwt \$ | 84.30          | 107.00       | 110.00         | 131.00         |
| Sheep                   | Cwt \$ | 34.40          | 37.20        | -              | -              |
| Lambs                   | Cwt \$ | 82.20          | 93.80        | -              | -              |
| Milk sold to plants     | Cwt \$ | 13.10          | 16.80        | 16.00          | 15.00          |
| Milk for fluid use      | Cwt \$ | 13.20          | 16.90        | -              | 15.10          |
| Milk of mfg. grade      | Cwt \$ | 12.30          | 14.10        | -              | 13.90          |
| Eggs <sup>3/</sup>      | Doz \$ | 0.688          | 0.382        | 0.319          | 0.334          |

FEED PRICE RATIOS

|                              |      |      |      |      |
|------------------------------|------|------|------|------|
| Hog-corn ratio <sup>4/</sup> | 17.9 | 22.5 | 23.0 | 24.7 |
|------------------------------|------|------|------|------|

1/ Monthly average except for current month. 2/ Mid-month price for all months. 3/ Fresh market (table ) eggs. 4/ Bushels of corn equal in value to 100 pounds of hogs live weight. 5/ Insufficient sales to establish a price.

Address Service Requested

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Ohio Agricultural Statistics Service

UNITED STATES DEPARTMENT OF AGRICULTURE

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